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C O N F I D E N T I A L SECTION 01 OF 02 ASUNCION 001173

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E.O. 12958: DECL: 09/16/2015
TAGS: [PGOV](#) [PREL](#) [KJUS](#) [PINR](#) [PA](#)
SUBJECT: PARAGUAY: NO GET OUT OF JAIL FREE CARD FOR LINO
OVIDEO

Classified By: PolOff Mark A. Stamilio, reason 1.4(d).

11. (C) Summary: In late August, rumors circulated that imprisoned former general Lino Oviedo's Union of Ethical Citizens (UNACE) party was attempting to negotiate his early release from prison as part of a political deal. Although the presidents of UNACE and the ruling Colorado (ANR) party denied that their parties were discussing any such deal, it is likely that there was some truth to the rumors. It is unlikely, however, that the ANR, unprompted by some pressing overreaching strategic objective, would test fate by facilitating Oviedo's release if this implied he could pursue political office, as part of the opposition. End Summary.

12. (U) In late August, rumors circulated that UNACE was attempting to negotiate Oviedo's early release from prison as part of a political deal. Various versions of the story emerged in the press. Most held that, in exchange for Oviedo's release, UNACE offered to vote with the ANR in favor of a constituent assembly that, among other things, would address a proposal to amend the constitution to permit the President to run for re-election. There was widespread speculation that UNACE's surprising decision to vote in favor of Ruben Candia Amarilla, the President's choice to replace Oscar Latorre as Attorney General, also was part of the deal. Senator Enrique Gonzalez Quintana and Herminio Caceres, presidents of UNACE and the ANR, respectively, denied that their parties were discussing any such deal.

13. (U) The day after the story on a possible deal in connection with the vote on the Attorney General appeared, Liberal (PLRA) party senator Armando Espinola proposed a bill to grant Oviedo amnesty for his crimes, as a means of uniting the opposition against the ANR. UNACE senator Jose Manuel Boveda responded that Oviedo was not interested in amnesty, since he was not willing to admit that he was guilty. Supreme Court Justice Victor Nunez spoke up on behalf of the judiciary, asserting that justice would not be administered by political pacts.

14. (C) On August 30, Senator Alejandro Velazquez Ugarte (formerly UNACE, but now ANR) told PolOffs that UNACE and the ANR had discussed a deal that would have included Oviedo's release on home arrest and eventual parole. According to Velazquez, Oviedo sent Gonzalez to discuss the matter with Caceres and two prominent ANR senators, Juan Carlos Galaverna and Blas Riquelme. In the next breath, however, Velazquez asserted that the ANR would never agree to Oviedo's release, since his return to the political scene would destabilize the country in a matter of days. He also asserted that UNACE merely voted in favor of Candia for Attorney General because the party "didn't have anything against him." In a September 1 meeting with PolOffs Gonzalez qualified UNACE's votes for Candia as votes against Latorre and as a bid to win some good will with leading ANR politicians. (Note: Latorre was the prosecutor in one of the cases against Oviedo, earning him strong antipathy within UNACE.)

15. (C) On September 7, businessman and former UNACE party member Raul Doutreleau claimed to PolCouns that President Duarte Frutos had offered to have Oviedo released from jail and placed under house arrest, likely on the clear understanding he couldn't run for political office. Oviedo refused, however, insisting his conviction be overturned and other charges pending against him dismissed. Doutreleau dismissed prospects of Oviedo's early release, because of Oviedo's obstinate inflexibility, and because the ANR recognized the political threat he would pose if he were released. In jail, he is merely a thorn in their side as his diehard supporters campaign for his release. If he were released and able to launch a political campaign, he could quickly emerge as the country's leading political figure. With him in jail, the ANR is gradually picking off his supporters among the political elite.

16. (C) Comment: While there may be some truth to the rumors that a deal was in the works, it is unlikely that the ANR, unprompted by some significant overreacting political

objective, would test fate by permitting Oviedo's release if it meant he could return to political life as an opposition candidate. Despite his conviction and ten-year prison sentence, Oviedo typically places second behind Duarte Frutos in opinion polls about potential presidential candidates in 2008. He is renowned for his common touch charisma, tireless campaigning and ability to rally support. Espinola's amnesty proposal serves as a reminder that many members of the opposition still support Oviedo or at least open to using him to attack the ANR.

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